Catastrophe Reinsurance Program
Effective June 1, 2021 to May 31, 2022

Northbrook, IL, May 5, 2021 – In the first quarter of 2021, we completed the placement of portions of our 2021-2022 catastrophe reinsurance program [(1)] that provide reinsurance protection to the Allstate Protection businesses of The Allstate Corporation (NYSE: ALL). The placement of the balance of the program will be completed in the second quarter of 2021.

The catastrophe reinsurance program is part of our catastrophe management strategy, which is intended to provide our shareholders with an acceptable return on the risks assumed in our personal lines business, reduce earnings variability, and provide protection to our customers. Our 2021 reinsurance program will continue to support our risk tolerance framework that targets less than a 1% likelihood of annual aggregate catastrophe losses from hurricanes and earthquakes, net of reinsurance, exceeding $2 billion, based on modeled assumptions and applications currently used.

Allstate's catastrophe reinsurance program materially reduces our exposure to wind and earthquake losses. Except for certain contracts, which reinsure specific perils, our 2021 program will address these exposures by including coverage in our agreements for multiple perils, in addition to hurricanes and earthquakes. We employ a multi-year approach to placing reinsurance coverage to lessen the amount of reinsurance being placed in the market in any one year. Claim adjustment fees are indemnified as a percentage of ultimate net loss and are included within each contract's reinsurance limit.

The reinsurance agreements have been placed in the traditional reinsurance and insurance linked securities ("ILS") markets. In doing so, we consider a number of factors including coverage, cost, terms, and the period of protection. All reinsurers participating on our program have an A.M. Best insurance financial strength rating of A- or better, except one, that is not rated by A.M. Best. Additionally, all reinsurance agreements placed in the ILS markets are collateralized.

The total cost of our catastrophe reinsurance was $113 million and $99 million in the first quarter of 2021 and 2020, respectively. The total cost of our catastrophe reinsurance program during 2020 was $425 million.

The following pages summarize the newly placed and/or in-force portions of our June 1, 2021 to May 31, 2022 reinsurance program which includes:

- Nationwide Excess Catastrophe Reinsurance Program
- New Jersey Excess Catastrophe Reinsurance Agreement
- National General Stand-Alone Catastrophe Reinsurance Contracts
- Kentucky Earthquake Excess Catastrophe Reinsurance Contract
- Excess & Surplus Earthquake Contract
- Florida Excess Catastrophe Reinsurance Program

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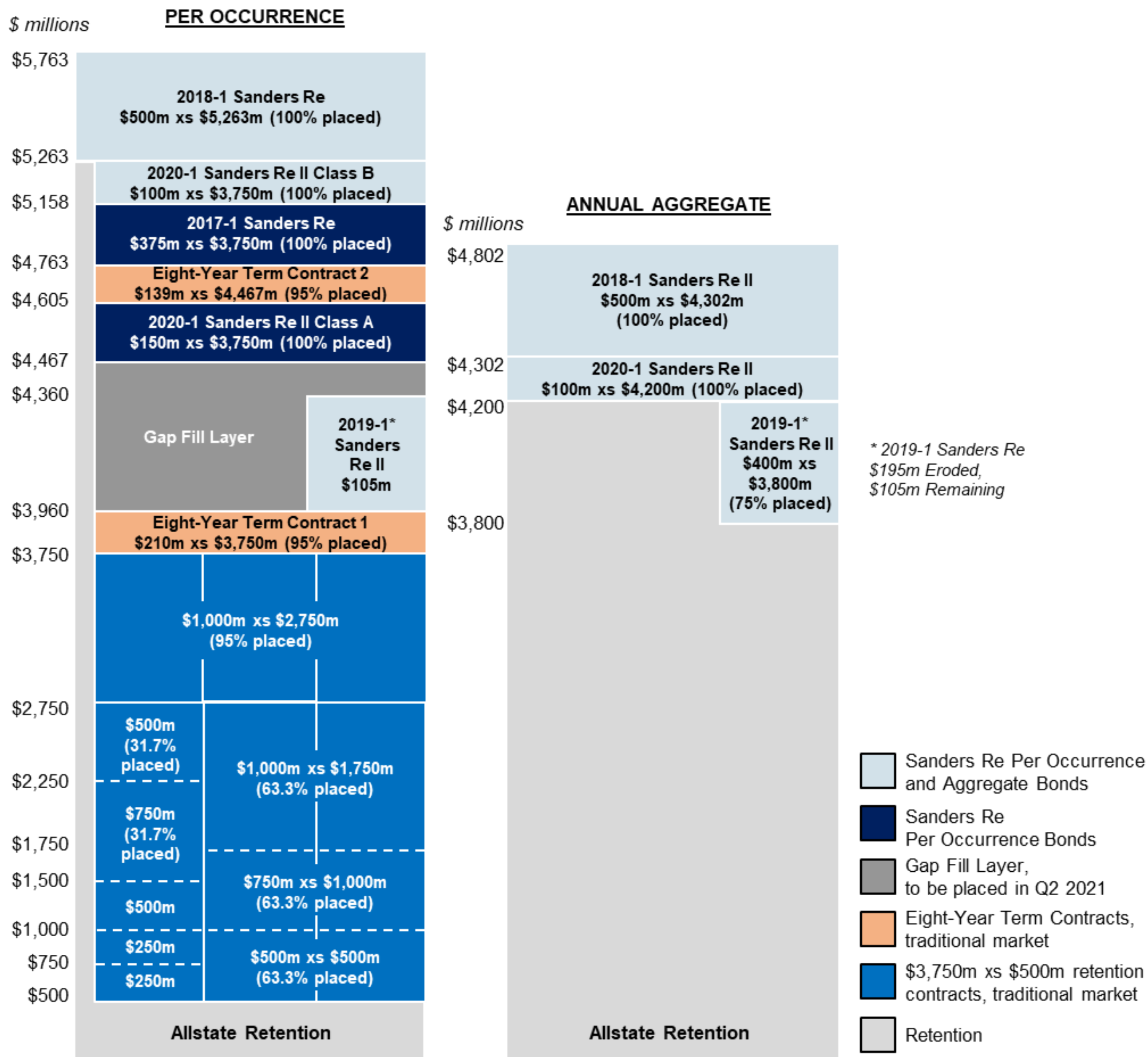
(1) A reinsurance program comprises one or more reinsurance agreements and a reinsurance agreement comprises one or more reinsurance contracts

Nationwide Excess Catastrophe Reinsurance Program
The Nationwide Excess Catastrophe Reinsurance Program (the "Nationwide Program") provides coverage up to $5.763 billion of loss less a $500 million retention and is subject to the percentage of reinsurance placed in each of its agreements. The agreements comprising the Nationwide Program are described below.



Per Occurrence and Aggregate Excess Agreements

The Nationwide Program includes occurrence coverage in contracts from both the traditional reinsurance and ILS markets, while aggregate protection is included in three contracts supported by the ILS market. The agreements provide multi-line catastrophe coverage in every state except Florida, where coverage is only provided for personal lines automobile.

The Nationwide Program includes agreements providing coverage up to $3.250 billion in excess of a $500 million retention. The Program also provides reinsurance capacity above $3.750 billion through utilization of Sanders Re Catastrophe Bonds and multi-year contracts placed within the traditional market. Allstate will be placing additional limit in the second quarter to address capacity gaps that change each year. These contracts will be placed prior to and will be effective June 1, 2021.

Traditional Reinsurance Market Per Occurrence Excess Agreements

The ***Per Occurrence Excess Agreements*** placed in the traditional reinsurance market in the first quarter consist of four contracts providing coverage of $3.250 billion in excess of a $500 million retention and exhausting at $3.750 billion per loss occurrence and two eight-year term contracts providing coverage in excess of a $3.750 billion retention.

$3.250 billion in excess of a $500 million retention contracts

- Reinsure personal lines property and automobile losses arising out of multiple perils including hurricane, windstorm, hail, tornado, earthquake, fires following earthquakes and wildfires in all states, excluding personal lines property in the state of Florida
- Include coverage for commercial lines property and automobile (physical damage only) in all states, excluding commercial lines property in the state of Florida
- In addition to Allstate and its affiliated companies covered under the 2020-2021 Program, coverage also includes the National General Stock Companies as named ceding companies
- Consists of multi-year contracts, each providing one-third of 95% of the total limit
  - Existing contracts effective June 1, 2019 consist of five layers and expires May 31, 2022
  - Existing contracts effective June 1, 2020 consist of three layers and expires May 31, 2023
  - New contracts effective June 1, 2021 consist of four layers
    - Three layers expiring May 31, 2024
    - One layer consisting of multi-year contracts expiring May 31, 2022, May 31, 2023 and May 31, 2024
- Includes one reinstatement of limits per year, with premium required
- Reinsurance premiums are subject to redetermination for exposure changes on an annual basis

$ in millions

Retention	Per occurrence limit	Risk period effective date	% of limit placed [2]	States Covered	Reinstatement
$500	$500	June 1, 2021	95	Countrywide, excluding personal and commercial lines property in Florida	1 per occurrence limit each contract year (per layer), premium due
1,000	750	June 1, 2021	95		
1,750	1,000	June 1, 2021	95		
2,750	1,000	April 1, 2021	95		

[2] Limits for the $3.250 billion xs $500 million contracts are 31.66% placed, 31.67% placed, and 31.67% placed for the respective terms of June 1, 2021 to May 31, 2022, June 1, 2022 to May 31, 2023, and June 1, 2023 to May 31, 2024.

Eight-Year Term Contracts

- Contain comparable contract terms and conditions as the $3.250 billion in excess of a $500 million retention contracts
- Provide a $210 million limit in excess of a minimum $3.750 billion retention and a $138 million limit in excess of a minimum $4.467 billion retention, are 95% placed and expire May 31, 2029
- Contain a variable reset option, which the ceding entities may elect to invoke at each anniversary, and which allows for the annual adjustment of each contract's attachment and exhaustion levels within specified limits
  Contain one reinstatement of limits over its eight-year term with premium required. Reinsurance premiums are subject to redetermination for exposure changes on an annual basis

$ in millions

Per occurrence reinsurance contract	Risk period effective date	Contract expiration date	% of limit placed	Retention	Per occurrence limit	States Covered	Reinstatement
8-Year Term Contract 1	April 1, 2021	March 31, 2029	95	$3,750	$210	Countrywide, excluding FL personal and commercial lines property	1 per occurrence limit over each contract's 8-year term, premium due
8-Year Term Contract 2	April 1, 2021	March 31, 2029	95	4,467	138		

<u>Sanders Re Catastrophe Bonds – Per Occurrence Excess Agreements</u>

At the annual reset of the Sanders Re Catastrophe Bonds, the National General Stock Companies were added as ceding companies.

The two ***Sanders Re Per Occurrence Excess Catastrophe Reinsurance Contracts***

- Reinsure personal lines property and automobile excess catastrophe losses in 49 states and the District of Columbia, excluding the state of Florida
- Reinsure business located in the covered territory and arising out of covered events
- Contain a variable reset option, which the ceding entities may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of the contract's attachment and exhaustion levels within specified limits
- Contracts do not include a reinstatement of limits
- Inuring contracts include: New Jersey Excess Catastrophe Agreement, 8-Year Term Contract 1, 2019-1 Excess Catastrophe Reinsurance Contract and the 5% co-participation

2020-1 Class A Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re II Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2020 and terminates on March 31, 2024
- Reinsures excess catastrophe losses caused by named storms, earthquakes and fire following earthquakes, severe weather, wildfires, and other naturally occurring or man-made events declared to be a catastrophe by Allstate
- Provides a $150 million limit in excess of a minimum $3.750 billion retention
- While inuring layers are fully intact, the contract would begin to pay subject losses in excess of $4.467 billion

2017-1 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re Ltd., which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began March 31, 2017 and terminates on November 30, 2021
- Reinsures excess catastrophe losses caused by named storms, earthquakes and fire following earthquakes, severe thunderstorms, winter storms, wildfire, volcanic eruptions, and meteorite impacts
- Provides a $375 million limit in excess of a minimum $3.750 billion retention
- Amounts payable for automobile losses are based on insured industry losses as reported by Property Claim Services (PCS) and further adjusted to account for our automobile exposures in reinsured areas
- Inuring contracts include all preceding plus the 2020-1 Class A Excess Catastrophe Reinsurance Contract and 8-Year Term Contract 2; while inuring layers are fully intact, the contract would begin to pay subject losses in excess of $4.763 billion

<u>Sanders Re Catastrophe Bonds – Per Occurrence Excess & Aggregate Agreements</u>

At the annual reset of the Sanders Re Catastrophe Bonds, the National General Stock Companies were added as ceding companies.

The three ***Sanders Re Per Occurrence & Aggregate Excess Catastrophe Reinsurance Contracts***

- Reinsure personal lines property and automobile excess catastrophe losses in 49 states and the District of Columbia, excluding the state of Florida
- Reinsure business located in the covered territory and arising out of covered events
- Reinsures excess catastrophe losses caused by named storms, earthquakes and fire following earthquakes, severe weather, wildfires, and other naturally occurring or man-made events declared to be a catastrophe by Allstate
- For each annual period beginning April 1, Allstate declared catastrophes occurring during such annual period can be aggregated to erode the aggregate retention and qualify for coverage under the aggregate limit
- Reinsurance recoveries from the Nationwide Per Occurrence Excess Contracts and the New Jersey Excess Catastrophe Agreement inure to the benefit of the annual aggregate layer
- Reinsurance recoveries collected under the per occurrence limit of each contract are not eligible for cession under the annual aggregate limit of that contract
- Reinsurance recoveries for all loss occurrences and annual aggregate losses qualifying for coverage during each contract's four-year risk period are limited to our ultimate net loss from covered events and subject to the contract's limit
- Contain a variable reset option, which the ceding entities may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of the contract's attachment and exhaustion levels within specified limits
- Contracts do not include a reinstatement of limits

2019-1 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re II Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2019 and terminates on March 31, 2023
- Originally provided one limit of $400 million, 75% placed, during its four-year term which can be used on a per occurrence or an annual aggregate basis. For a qualifying loss occurrence, the contract provides 75% of $400 million in reinsurance limits in excess of a minimum $3.750 billion retention for the April 1, 2021 to March 31, 2022 period
- $195 million of $300 million placed limit was eroded in Q1 2021; $105m remains
- Inuring contracts include: New Jersey Excess Catastrophe Agreement, 8-Year Term Contract 1, and the 5% co-participation; while inuring layers are fully intact, the contract would begin to pay subject losses in excess of $3.960 billion
- $105 million of aggregate reinsurance limit remains, attaching at an annual retention of $3.800 billion and exhausting at $4.200 billion

2020-1 Class B Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re II Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2020 and terminates on March 31, 2024
- Provides one limit of $100 million, 100% placed, during its four-year term which can be used on a per occurrence or an annual aggregate basis. For a qualifying loss occurrence, the contract provides 100% of $100 million in reinsurance limits in excess of a minimum $3.750 billion retention for the April 1, 2021 to March 31, 2022 period
- Inuring contracts include all preceding plus the 2019-1 Excess Catastrophe Reinsurance Contract, Single-Year Term Contract, 2020-1 Class A Excess Catastrophe Reinsurance Contract, 8-Year Term Contract 2, 2017-1 Excess Catastrophe Reinsurance Contract, and the 5% co-participation; while inuring layers are fully intact, the contract would begin to pay subject losses in excess of $5.158 billion
- Provides an annual aggregate limit of 100% of $100 million in reinsurance limits between a $4.200 billion to $4.302 billion layer subject to an annual retention of $4.200 billion

2018-1 Excess Catastrophe Reinsurance Contract

- Placed with Sanders Re Ltd., which obtained funding from the ILS market to collateralize the contract's limit
- Risk period began April 1, 2018 and terminates on March 31, 2022
- Provides one limit of $500 million during its four-year term, which can be used on a per occurrence or an annual aggregate basis. For each qualifying loss occurrence, the contract provides 100% of $500 million in reinsurance limits, between a $5.263 billion to $5.763 billion layer for the April 1, 2021 to March 31, 2022 period
- Provides an annual aggregate limit of 100% of $500 million in reinsurance limits between a $4.302 billion to $4.802 billion layer subject to an annual retention of $4.302 billion

$ in millions

Excess reinsurance contract	Risk period beginning date	Risk period ending date	% of limit placed	Retention	Per occurrence and annual aggregate limit	Reinstatement
2020-1 Class A	April 1, 2020	March 31, 2024	100	$3,750 Per Occurrence	$150	None
2020-1 Class B	April 1, 2020	March 31, 2024	100	$3,750 Per Occurrence $4,200 Annual Aggregate	$100	None
2019-1	April 1, 2019	March 31, 2023	75	$3,750 Per Occurrence $3,800 Annual Aggregate	$400	None
2018-1	April 1, 2018	March 31, 2022	100	$5,263 Per Occurrence $4,302 Annual Aggregate	$500	None
2017-1	March 31, 2017	November 30, 2021	100	$3,750 Per Occurrence	$375	None

Other Catastrophe Reinsurance Programs

The following programs are designed separately from the Nationwide Program to address distinct exposures in certain states and markets.

New Jersey Excess Catastrophe Reinsurance Agreement

- Reinsure personal lines property and automobile excess catastrophe losses in New Jersey caused by multiple perils
- Include coverage for commercial lines property and automobile (physical damage only) catastrophe losses in New Jersey
- Consists of one existing contract providing $400 million of limits in excess of a $150 million retention, 31.67% placed
- Includes one reinstatement of limits per contract year, with additional premium due
- Reinsurance premium and retention are subject to redetermination for exposure changes on an annual basis

National General Catastrophe Reinsurance Contracts

- National General Reciprocal Reinsurance Contracts placed prior to the January 4, 2021 acquisition remain effective through June 30, 2021
- New contracts will be placed in the second quarter of 2021

Kentucky Earthquake Excess Catastrophe Reinsurance Contract

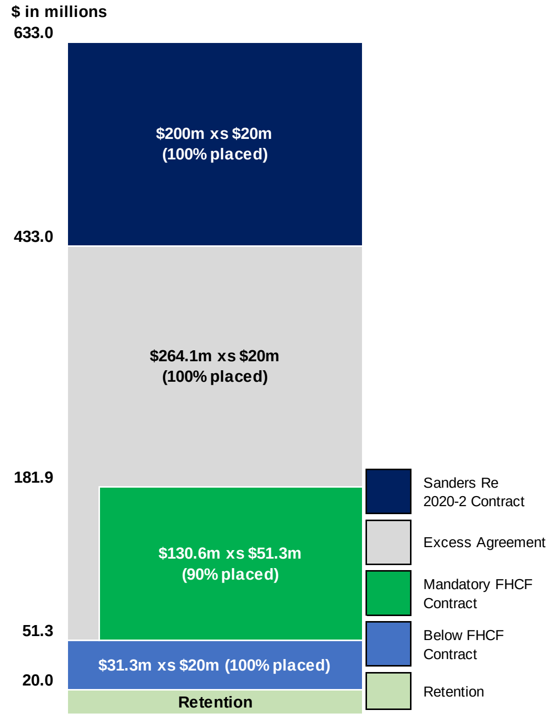
- Reinsures personal lines property losses in Kentucky caused by earthquakes and fire following earthquakes
- Three-year term contract expiring May 31, 2023
- Provides three limits of $28 million in excess of a $2 million retention, with two limits available in any one contract year, and is 95% placed
- Reinsurance premium and retention are not subject to redetermination for exposure changes

Excess & Surplus (“E&S”) Earthquake Contract

- Reinsures personal lines property catastrophe losses in California caused by the peril of earthquakes and is insured by our excess and surplus lines insurer; reinsures only shake damage resulting from the earthquake peril
- Three-year term contract effective July 1, 2018 through June 30, 2021, both days inclusive
- Provides reinsurance on a 100% quota share basis with no retention
- Allows for cession of policies providing earthquake coverage as long as the total amount of in-force building limits provided by those policies does not exceed $400 million; $400 million cap limits the policies that are covered by the reinsurance contract and not the amount of loss eligible for cession, which includes losses to dwellings, other structures, personal property and additional living expenses on policies covered by this program
- As of May 1, 2021, the $400 million cap which serves to limit cessions to the contract has not been exceeded

The Florida Excess Catastrophe Reinsurance Program will be placed in the second quarter of 2021 and will be effective June 1, 2021.

Florida Excess Catastrophe Reinsurance Program



The ***Florida Excess Catastrophe Reinsurance Program*** is comprised of seven contracts, as described below, which reinsure Castle Key Insurance Company ("CKIC") and Castle Key Indemnity Company ("CKI") for personal lines property excess catastrophe losses in Florida. (We refer to both companies together as "Castle Key."). For the June 1, 2020 to May 31, 2021 term, the Program includes four contracts placed in the traditional market, Castle Key's reimbursement contracts with the Florida Hurricane Catastrophe Fund (the "Mandatory FHCF - Florida Hurricane Catastrophe Fund Contracts"),[3] and the Sanders Re 2020-2 Contract placed in the ILS market.

Below FHCF Contract

- Reinsures personal lines property excess catastrophe losses caused by multiple perils in Florida
- Provides three limits of $31.3 million in excess of a $20 million retention and is 100% placed
- Contract includes two reinstatements of limits; the first reinstatement of limits is prepaid and the second or final reinstatement requires additional premium
- Only the portion of the limit utilized to indemnify losses from an event mandatorily reinstates; the remaining reinstatement limit remains available and will be used as future events erode the per occurrence contract limit
- Reinsurance premium is subject to redetermination for exposure changes

Mandatory FHCF Contracts

- Indemnifies qualifying personal lines property losses caused by storms the National Hurricane Center declares to be hurricanes
- Provide $130.6 million of limits in excess of a $51.3 million provisional retention and are 90% placed (or $117.5 million in excess of a $51.3 million provisional retention)
- Includes reimbursement of up to 10% of eligible loss adjustment expenses, which is part of and not in addition to the reinsurance limit provided, with no reinstatement of limits
- For each of the two largest hurricanes, the provisional retention is $51.3 million and a retention equal to one-third of that amount, or approximately $17 million, is applicable to all other hurricanes for the season beginning June 1, 2020
- Reinsurance limit and retention are subject to re-measurement based on June 30, 2020 exposure data; retention is also subject to adjustment upward or downward to an actual retention based on exposures submitted to the FHCF by all participants

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(3) CKIC's and CKI's mandatory FHCF coverage is provided under reimbursement contracts distinct to each entity. CKIC's FHCF reimbursement contract provides a $78.3 million limit after a $30.7 million retention, and CKI's reimbursement contract provides a $52.3 million limit after a $20.5 million retention. For ease of reference, the FHCF's provisional retentions and limits have been consolidated for purposes of this disclosure.

Excess Agreement

- Reinsures personal lines property excess catastrophe losses caused by multiple perils in Florida
- Consists of one annual (49% placed), one two-year (41% placed) and one three-year contract (10% placed) effective June 1, 2020
- For the June 1, 2020 to May 31, 2021 term, the agreement provides one limit of $264.1 million in excess of a $20 million retention and is 100% placed
- Inuring contracts include: Below FHCF Contract and Mandatory FHCF Contracts
- Provides reinsurance limits above the Mandatory FHCF Contracts, for CKIC's and CKI's 10% co-participation in the Mandatory FHCF Contracts, and for loss occurrences not subject to reimbursement under the Mandatory FHCF Contracts which only reinsure losses arising out of hurricanes
- None of the three contracts comprising the Agreement include a reinstatement of limits
- Reinsurance premium is subject to redetermination for exposure changes

Sanders Re 2020-2 Contract

- Reinsures qualifying losses to personal lines property caused by a named storm event, a severe weather event, an earthquake event, a fire event, a volcanic eruption event, or a meteorite impact event in Florida as defined in the contract
- Placed with Sanders Re II Ltd. which obtained funding from the ILS market to collateralize the contract's limit
- Three-year term contract with a risk period effective June 1, 2020 through May 31, 2023
- Provides limits of $200 million in excess of a $20 million retention and in excess of "stated reinsurance" and is 100% placed
- For the June 1, 2020 to May 31, 2021 risk period, stated reinsurance is defined to include the Below FHCF Contract, the Mandatory FHCF Contracts which are deemed to exhaust due to loss occurrences subject to the non-FHCF contracts, and the Excess Agreement; stated reinsurance is deemed to be provided on a multiple perils basis under the terms of the non-FHCF contracts and includes an erosion feature, which provides that upon the exhaustion of a portion of the stated reinsurance, coverage under the Sanders Re Contract shall be concurrently placed above and contiguous to the unexhausted portion of the stated reinsurance, if any
- Contains a variable reset option, which Castle Key may invoke for risk periods subsequent to the first risk period and which allows for the annual adjustment of the contract's attachment and exhaustion levels; the variable reset option requires a premium adjustment
- Contract does not include a reinstatement of limits

$ in millions

<table>
<tr><th>Reinsurance contract</th><th>Risk Period effective date</th><th>Contract expiration date</th><th>% of limit placed</th><th>Retention</th><th>Per occurrence limit</th><th>Reinstatement</th></tr>
<tr><td>Below FHCF</td><td>June 1, 2020</td><td>May 31, 2021</td><td>100</td><td>$20</td><td>$31</td><td>Two reinstatements of the per occurrence limit; first reinstatement prepaid; second reinstatement premium due</td></tr>
<tr><td>FHCF</td><td>June 1, 2020</td><td>May 31, 2021</td><td>90</td><td>51</td><td>131</td><td>None</td></tr>
<tr><td rowspan="3">Excess</td><td>June 1, 2020</td><td>May 31, 2021</td><td>49</td><td>20</td><td>130</td><td rowspan="3">None</td></tr>
<tr><td>June 1, 2020</td><td>May 31, 2022</td><td>41</td><td>20</td><td>108</td></tr>
<tr><td>June 1, 2020</td><td>May 31, 2023</td><td>10</td><td>20</td><td>26</td></tr>
<tr><th>Excess reinsurance contract</th><th>Risk Period beginning date</th><th>Risk period ending date</th><th>% of limit placed</th><th>Retention</th><th>Per occurrence limit</th><th>Reinstatement</th></tr>
<tr><td>Sanders Re 2020-2</td><td>June 1, 2020</td><td>May 31, 2023</td><td>100</td><td>20</td><td>200</td><td>None</td></tr>
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